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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/901,962	07/10/2001	David Sacks	PAY00-004	7249
22200	7590	10/06/2006		EXAMINER
				KARMIS, STEFANOS
			ART UNIT	PAPER NUMBER
			3691	

DATE MAILED: 10/06/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/901,962	SACKS, DAVID
	Examiner	Art Unit
	Stefano Karmis	3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 10 July 2001.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-31 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-31 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____
3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date <u>10/02, 6/03, 12/05</u>	5) <input type="checkbox"/> Notice of Informal Patent Application
	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

1. The following application has been reviewed. Original claims 1-31 are pending.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-19 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

With respect to claim 1, the limitation of “creating an account for the payor with the third party for facilitating electronic payments, if said account does not exist” renders the claim indefinite because it is not clear what happens if an account already does exist and it is not clear what the account is used for. It is not clear whether the account role is in the electronically transferring of funds from the payor to the payee. It is unclear if the account is a financial account holding money or merely a recognition account used to identify the payor. The step of “electronically transferring funds from the payor to the payee” does not appear to access the account. For these reasons, claim 1 fails to point out and distinctly claim the subject matter which applicant regards as the invention and is therefore indefinite. Independent claim 19 is rejected for similar reasoning to claim 1. Claims 2-18 are rejected based on their dependency.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 20 and 28 are rejected under 35 U.S.C. 102(b) as being anticipated by Ogram U.S. Patent 5,822,737.

Claims 20 and 28, Ogram teaches a computer-implemented method of processing a payment from a buyer for a seller at a third-party payment processor, comprising: receiving a connection from a buyer at a payment processor, wherein said connection replaces a previous connection between the buyer and a seller during which the buyer and the seller arranged an electronic transaction (column 4, line 64 thru column 5, line 24); receiving one or more criteria of the electronic transaction, including a first value to be paid by the buyer (column 6, lines 5-11); verifying with the buyer a source of said first value (column 5, lines 57-65); initiating receipt of said first value from the buyer (column 6, lines 17-59); initiating payment of a second value to the seller (column 6, lines 17-59); and reconnecting the buyer to the seller if said one or more criteria include a destination for said reconnection (column 2, lines 56 thru column 3, line 3).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

8. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

9. Claims 1-19, 21-27 and 29-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ogram U.S. Patent 5,822,737 in view of Mhoon U.S. Patent 6,477,578.

Regarding claims 1 and 19, Ogram teaches a method of processing an electronic payment from a payor to a payee at a third party, comprising: receiving at the third party a first connection from the payor, wherein a second connection between the payor and the payee is terminated when said first connection is received (column 4, line 64 thru column 5, line 24) and electronically transferring funds from the payor to the payee (column 6, lines 43-59). Ogram

teaches that the payor has a credit card account and that the processing center associated with the credit card server (column 5, lines 25-33). Ogram fails to teach creating an account if one does not exist. Mhoon teaches a system and method for conducting secure transactions in which the customer transmits information to the bank in order to create and gain access to an account for banking transactions (column 7, line 44 thru column 8, line 11). It would have been obvious at the time of the Applicant's invention to modify the teachings of Ogram and include the account creation of Mhoon because an account establishes payor information and is required for transferring funds. Furthermore, both Ogram and Mhoon teach connecting to a third party transaction processing center when performing transactions.

Claim 2, prior to said receiving, facilitating the generation of computer readable instructions for replacing said second connection with said first connection (column 2, lines 56-65 and column 4, lines 51-56).

Claim 3, wherein said facilitating comprises: receiving a connection at the third party from the payee; receiving one or more details of a possible electronic transaction between the payee and a payor; and generating said computer readable instructions (column 5, lines 15-21 and column 6, lines 17-22).

Claim 4, wherein said facilitating comprises: providing the payee with required parameters for said computer readable instructions; wherein said computer readable instructions

are configured for use on a payee computer system during said second connection (column 2, lines 56-65 and column 4, lines 51-56).

Claim 5, wherein further comprising receiving, with said first connection, details of an electronic transaction between the payor and the payee (column 5, lines 15-21 and column 6, lines 17-22).

Claim 6, wherein said details include a network address to forward the payor to after said funds are electronically transferred (column 5, lines 11-56).

Claim 7, wherein said details include a network address to forward the payor to if the payor cancels said electronic transfer of funds (column 6, lines 17-22).

Claim 8, wherein said details include an identifier of a payee account with the third party (column 4, lines 27-37).

Claim 9, Ogram in view of Mhoon fails to teach redirecting the payor to a network address identified by the payee. It would have been obvious to one of ordinary skill in the art and the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon

and include redirecting payors to a network address identified by the payee because the payee may require certain transactions parameters or that transactions be carried out at specific websites.

Claim 10, wherein said creating comprises: receiving a unique identifier of the payor; and receiving payment mechanism information from the payor (column 4, lines 27-50).

Claims 11 and 12, Ogram in view of Mhoon fails to teach that the unique identifier is an electronic mail address or a telephone number. Official Notice is taken that the use of electronic mail addresses and phone numbers for identification is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include such unique identifiers because they are common ways to identify and authenticate a user logging onto a network and performing a financial transaction.

Claim 13, wherein said payment mechanism is a credit card (column 2, lines 11-15).

Claim 14, wherein said payment mechanism is a debit card (column 2, lines 11-15).

Claim 15, wherein said payment mechanism is a bank account (column 2, lines 11-15).

Claims 16 and 17, Ogram in view of Mhoon fails to teach maintaining a shopping cart at the third party for the payor wherein said shopping cart is configured to track the payor's transactions with multiple payees. Official Notice is taken that shopping carts are old and well known in the financial/computer arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include a shopping cart because it allows for easier purchase of multiple products when entering the product information to purchase.

Claim 18, Ogram in view of Mhoon fails to teach that the account is identified with an electronic mail address. Official Notice is taken that the use of electronic mail addresses identification is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include an email address identifier because it is a common way to identify and authenticate a user logging onto a network and performing a financial transaction.

Claim 21, Ogram teaches further comprising: prior to said receiving a connection, generating a set of computer readable instructions enabling said replacement of the connection between the buyer and the seller; wherein said computer readable instructions are configured for use on a buyer computer system during said connection between the buyer and the seller (column 2, lines 56-65 and column 4, lines 51-56).

Claim 22, Ogram teaches that the payor has a credit card account and that the processing center associated with the credit card server (column 5, lines 25-33). Ogram fails to teach creating an account if one does not exist. Mhoon teaches a system and method for conducting secure transactions in which the customer transmits information to the bank in order to create and gain access to an account for banking transactions (column 7, line 44 thru column 8, line 11). It would have been obvious at the time of the Applicant's invention to modify the teachings of Ogram and include the account creation of Mhoon because an account establishes payor information and is required for transferring funds. Furthermore, both Ogram and Mhoon teach connecting to a third party transaction processing center when performing transactions.

Claim 22, Ogram in view of Mhoon fails to teach that the account is identified with an electronic mail address. Official Notice is taken that the use of electronic mail addresses identification is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram

in view of Mhoon and include an email address identifier because it is a common way to identify and authenticate a user logging onto a network and performing a financial transaction.

Claim 24, wherein said source of said first value is said account (column 2, lines 11-15).

Claim 25, wherein said source of said first value is a credit card of the buyer (column 2, lines 11-15).

Claim 26, wherein said source of said first value is a bank account of the buyer (column 2, lines 11-15).

Claim 27, further comprising transmitting a receipt to the buyer (column 5, lines 57-62 and column 6, lines 23-29).

Claim 29, a payment processor for processing a payment from a payor to a payee, comprising: a communication interface configured to receive a connection from a payor and details of an electronic transaction between the payor and a payee (column 5, lines 5-21); a payor interface configured to verify one or more of said details with the payor (column 5, lines 25-32); and a payment module configured to initiate a first payment from the payor and a second payment to the payee (column 6, lines 5-59); wherein said communication interface is further configured to connect the payor to the payee (column 4, line 64 thru column 5, line 4 and column 6, lines 5-59). Ogram teaches that the payor has a credit card account and that the processing center associated with the credit card server (column 5, lines 25-33). Ogram fails to teach creating an account if one does not exist. Mhoon teaches a system and method for conducting secure transactions in which the customer transmits information to the bank in order to create and gain access to an account for banking transactions (column 7, line 44 thru column 8, line 11). It would have been obvious at the time of the Applicant's invention to modify the teachings of Ogram and include the account creation of Mhoon because an account establishes payor information and is required for transferring funds. Furthermore, both Ogram and Mhoon teach connecting to a third party transaction processing center when performing transactions.

Claim 30, further comprising a payee interface configured to facilitate generation of computer readable instructions for redirecting the payor from the payee to the payment processor (column 2, lines 56-65 and column 4, lines 51-56).

Claim 31, Ogram in view of Mhoon fails to teach maintaining a shopping cart at the third party for the payor wherein said shopping cart is configured to track the payor's transactions with multiple payees. Official Notice is taken that shopping carts are old and well known in the financial/computer arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Ogram in view of Mhoon and include a shopping cart because it allows for easier purchase of multiple products when entering the product information to purchase. .

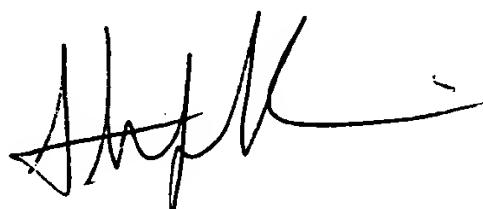
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted
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1 October 2006



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